



# HOUSE COMMITTEE ON APPROPRIATIONS

FY 09-10

Executive Budget Review

Department of Environmental Quality

Harold Leggett, Secretary



# ENVIRONMENTAL QUALITY BUDGET

DEPARTMENT OF ENVIRONMENTAL QUALITY					
Means of Financing (MOF)	Actual Expenditures FY 2007-08	Existing Operating Budget FY 2008-09 (2/1/09)	Executive Budget FY 2009-10	Change From FY 08-09 to FY 09-10	Percent Change From FY 08-09 to FY 09-10
State General Fund (SGF)	\$12,763,848	\$10,272,763	\$5,432,289	(\$4,840,474)	-47.12%
Interagency Transfers (IAT)	\$4,957,955	\$3,217,847	\$522,792	(\$2,695,055)	-83.75%
Fees and Self-gen. Rev. (SGR)	\$78,350	\$389,385	\$389,385	\$0	0.00%
Statutory Dedications (SD)	\$92,394,115	\$114,529,207	\$115,103,857	\$574,650	0.50%
Federal Funds (FED)	\$18,712,626	\$27,767,804	\$26,906,454	(\$861,350)	-3.10%
<b>TOTAL MOF</b>	\$128,906,894	\$156,177,006	\$148,354,777	(\$7,822,229)	-5.01%
<b>Authorized Positions</b>	992	933	944	11	1.18%

The increase of 11 positions is due to the transfer of the Oil Spill Coordinator's Office from the Governor's Office to the Department of Environmental Quality.



# Environmental Quality

## Federal Stimulus Funds

While the Department of Environmental Quality's budget was not adjusted to reflect an increase in federal funds from the American Recovery and Reinvestment Act of 2008, the department is scheduled to receive \$43 million in Clean Water State Revolving federal stimulus fund grants. The department will request interim budget authority for projects designed to address water efficiency, energy efficiency, mitigation of storm runoff, or to encourage environmentally sensitive project planning, design, and construction. The department will also receive \$2.68 million for assessment/remediation of abandoned underground storage tank sites and \$1.73 million for diesel emissions reduction. Budget authority for these federal funds will be requested through the BA-7 process as well.



## Environmental Quality Budget Cuts

**FY 08-09 Deficit Reduction Plan** = \$1.8 million SGF or 15% of SGF

The Department of Environmental Quality eliminated 20 vacant positions, reduced acquisitions, did not replace any vehicles in their current fleet, and closed a temporary satellite office in Mandeville, Louisiana.

**FY 09-10 Budget Cut** = \$5.5 million or 3.5% of Total Funds

The Department of Environmental Quality's budget was reduced \$1 million for acquisitions and major repairs, \$1.4 million to annualize position cuts in the current fiscal year, \$1.5 million for attrition, and \$1.6 million in professional services and operating supplies.



# Means of Finance Swaps

- Decreased State General Funds \$2 million and increased Statutory Dedications from the Environmental Trust Fund \$2 million.
- Decreased Federal Funds \$200,000 and increased Statutory Dedications from the Environmental Trust Fund \$200,000. This will allow the Department to work with the Environmental Protection Agency to address impaired water bodies. Federal stimulus assistance will be available as a source of funding for this activity.



# Significant Budget Changes

(\$2.7 million)

Non-recur carryforward (\$2.1 million Stat Ded and \$600,000 IAT) for the purchase of vehicles, payments to contractors for work related to hurricane recovery efforts, contract payments for hazardous waste site cleanup, and purchases of furniture and equipment.

(\$2.1 million) IAT

Non-recur interagency transfers of Federal Funds from the Governor's Office of Homeland Security and Emergency Preparedness for demolitions and landfill oversight related to hurricane recovery efforts.

\$1.9 million SD

Transfer Oil Spill Contingency Funding and 11 unclassified positions from the Governor's Office.





# Significant Budget Changes

(\$555,000) FED      Non-recur Federal Funds from the Air Quality Hurricane Grant.

(\$500,000)      Non-recur \$250,000 State General Funds and \$250,000 Statutory Dedications from the Overcollections Fund for the Rural Water Association.



# Environmental Quality

## Line Item Expenditures

Environmental Quality				
Expenditures	FY 08-09 Existing Operating Budget 2/1/2009	FY 09-10 Executive Budget	Change FY 08-09 to FY 09-10	Percent Change EOB to Exec Bud
Salaries	\$49,197,877	\$50,672,015	\$1,474,138	3.00%
Other Compensation	\$387,101	\$569,584	\$182,483	47.14%
Related Benefits	\$15,744,811	\$16,439,205	\$694,394	4.41%
Travel	\$1,010,428	\$921,428	(\$89,000)	-8.81%
Operating Services	\$6,499,628	\$5,728,822	(\$770,806)	-11.86%
Supplies	\$2,831,295	\$2,746,887	(\$84,408)	-2.98%
Professional Services	\$5,482,000	\$4,683,800	(\$798,200)	-14.56%
Other Charges	\$56,637,959	\$52,792,394	(\$3,845,565)	-6.79%
Interagency Transfers	\$12,870,573	\$11,080,225	(\$1,790,348)	-13.91%
Acq/Major Repairs	\$4,049,753	\$2,720,417	(\$1,329,336)	-32.83%
Unalloted	\$1,465,581	\$0	(\$1,465,581)	-100.00%
<b>TOTAL EXP</b>	<b>\$156,177,006</b>	<b>\$148,354,777</b>	<b>(\$7,822,229)</b>	<b>-5.01%</b>





## DEQ AGENCIES

### Office of the Secretary

Total Existing Budget FY 08-09	\$11.3 million	92 positions
Total Executive Budget FY 09-10	\$10.3 million	94 positions

### Environmental Compliance

Total Existing Budget FY 08-09	\$25.1 million	267 positions
Total Executive Budget FY 09-10	\$25.6 million	295 positions

### Environmental Services

Total Existing Budget FY 08-09	\$15.1 million	180 positions
Total Executive Budget FY 09-10	\$15.1 million	186 positions



## DEQ AGENCIES

### Environmental Assessment

Total Existing Budget FY 08-09	\$45.2 million	266 positions
Total Executive Budget FY 09-10	\$41.0 million	243 positions

### Management and Finance

Total Existing Budget FY 08-09	\$59.5 million	128 positions
Total Executive Budget FY 09-10	\$56.4 million	126 positions



## DEQ STATUTORY DEDICATIONS

**Environmental Trust Fund (ETF)** revenues are generated through the collection of permits, licenses, registrations, variances, and monitoring fees charged by DEQ to facilities whose operations impact the environment. The formula used to assess fees should be equal to the annual cost of maintenance, permitting, monitoring, investigation, administration and other activities required of DEQ. The ETF has recurring revenue of approximately \$58 million. Projected expenditures in FY 09-10 total \$59 million.

**Waste Tire Management Fund** revenues accumulate through the collection of fees on the sale of tires (\$2 for a passenger tire; \$5 for a medium truck tire; and \$10 for an off-road tire). Permitted waste tire processors are paid \$1.50 per twenty pounds of tire material that is recycled. Payments are conditioned on the processor providing proper documentation including manifests, statements, and certified scale-weight tickets. Revenues to the fund total approximately \$8 million to \$11 million per year.



## DEQ STATUTORY DEDICATIONS

**Hazardous Waste Site Cleanup Fund** revenues are derived from judgments, settlements, assessments of criminal or civil penalties from responsible parties, and funds generated by the hazardous waste tax. Monies from the fund are used to defray the cost of investigation, testing, containment, control, and cleanup of hazardous waste sites. The balance in the fund cannot exceed \$6 million, and any remaining funds are deposited into the Environmental Trust Fund.

**Motor Fuels Underground Storage Tank Trust Fund** revenues are realized through fees of 8/10 of 1 cent per gallon of motor fuel delivered by distributors. Monies in the fund are used to assess the release of motor fuel contaminants, to provide for alternative drinking sources where primary water sources are polluted by leaking tanks, and to clean or remediate contaminated underground tank sites. The amount budgeted from the fund in FY 09-10 is \$24.8 million.